

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



**CORRECTED
FISCAL NOTE**

SB 2289 - HB 2425

February 21, 2012

SUMMARY OF BILL: Authorizes counties, municipalities, and utility districts to utilize pricing discounts offered from any nationwide or regional competitive bid cooperative purchasing program when purchasing supplies and equipment. When required by charter or private act to purchase by competitive bidding, the procuring governmental unit is authorized to consider the price given by the cooperative purchasing program as a bid or quotation.

ESTIMATED FISCAL IMPACT:

On February 20, 2012, a fiscal note was issued estimating a fiscal impact as follows:

Other Fiscal Impact – Potential reduction of expenditures for counties, municipalities, and utility districts that utilize pricing discounts offered as part of national or regional cooperative purchasing programs; however, due to multiple unknown factors, a precise fiscal impact cannot be reasonably quantified.

The note included an incorrect assumption regarding the current practice of some counties. The fiscal impact remains unchanged.

Other Fiscal Impact – Potential reduction of expenditures for counties, municipalities, and utility districts that utilize pricing discounts offered as part of national or regional cooperative purchasing programs; however, due to multiple unknown factors, a precise fiscal impact cannot be reasonably quantified.

Corrected assumptions:

- It is unknown how many counties, municipalities, or utility districts will choose to join a competitive bid cooperative purchasing program as a result of this legislation.
- Certain competitive bid cooperative purchasing programs require a payment of dues.
- The percentage of savings that local governments and utility districts may utilize could change from purchase to purchase.
- Due to a number of unknown factors, the net amount of cost savings that a county, municipality, or utility district will realize using the competitive cooperative purchasing agreement in lieu of current purchasing procedures is undeterminable.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh